

Split from right-wing party intensifies Australian government's impasse

Mike Head**25 November 2014**

The resignation of one senator from mining magnate Clive Palmer's right-wing populist Palmer United Party (PUP) has compounded the difficulties facing the increasingly crisis-ridden Abbott government and underscored the instability of the entire political establishment.

Senator Jacqui Lambie's acrimonious departure from Palmer's party yesterday further fractures the parliamentary line-up, where Prime Minister Tony Abbott's government lacks a majority in the Senate, the upper house.

While Abbott's Liberal-National Coalition won a landslide victory in the lower house at the September 2013 federal election, 25 percent of the votes for the Senate went to an array of minor parties. This was a very pale and distorted reflection of the popular disaffection with both the major parties, the Coalition and Labor.

Lambie's resignation from the PUP to sit as an independent appears to make the government's task of getting legislation, including key outstanding budget measures, through the Senate harder. Abbott's government must secure the votes of six of the eight minor party and independent senators in order to pass bills if the opposition Labor and Greens parties oppose them.

Until yesterday, Palmer effectively controlled four of those Senate votes, via three PUP senators and an alliance with a senator, Ricky Muir, who was elected on an Australian Motoring Enthusiast Party ticket. This gave Palmer, a businessman and coal mine operator, the capacity to strike bargains with the government, such as last month's passage of its bill to scrap the previous Labor government's carbon tax and introduce its "direct action" climate change plan. Both policies provide lucrative profits, albeit to different corporate

sectors, while doing little or nothing to halt climate change.

Before Lambie's resignation, the government was reportedly confident of reaching a deal with Palmer to pass its higher education deregulation bill, which will see university fees soar and cut \$5 billion off tertiary education funding over the next four years. Together with legislation to impose upfront fees for visits to doctors and pharmaceutical prescriptions, and cut all young jobless workers off welfare benefits for six months at a time, this bill is one of the major items still stalled from the May budget.

Now, with just two weeks of parliamentary sittings left this year—this week and next—the prospect of getting a breakthrough on the higher education package seems more uncertain. In her speech to the Senate yesterday announcing her split from the PUP, Lambie demagogically gave a "100 percent guarantee" that she would "never" vote for the proposed deregulation of university fees or the introduction of a Medicare co-payment to see a doctor.

In a desertion marked by vitriolic personal attacks, the political differences between Lambie and Palmer are far from clear. Her remarks, however, point to an opportunist pitch to the widespread hostility toward the Abbott government and a fear of being discredited in her Tasmanian state constituency by yet another deal between the government and the PUP.

Last week, Lambie and Muir joined other "crossbench" senators to scuttle the government's financial advice industry regulations, which lifted bans on financial advisors being paid incentives to sign up people to investment schemes. Earlier in the year, as part of the PUP bloc, both Lambie and Muir voted for the measures, provoking outcries from consumer groups and victims of previous financial scams.

At the same time, Lambie has indicated her willingness to negotiate with the government on other blocked measures, including the reintroduction of regressive temporary protection visas for refugees.

Since taking her Senate seat on July 1, Lambie has combined anti-establishment rhetoric with right-wing and militaristic stances that feed into the preparations for war and seek to divert mounting social discontent in reactionary directions. She has called for a national ban on wearing Islamic burqas, the re-introduction of military conscription, and plans to defeat a “Chinese Communist invasion.”

Lambie, a former army corporal, has appealed to Abbott to reverse a decision to effectively cut the wages of military personnel by imposing a 1.5 percent annual cap on pay increases. The government set that less-than-inflation limit in order to justify even greater real pay cuts for other public sector employees. Earlier this month, Lambie vowed to oppose all government bills unless the military pay offer was doubled, a stance that also cut across Palmer’s manoeuvres with the government.

Lambie’s desertion from the PUP came amid the venting of frustration and alarm in ruling circles with the Abbott government’s performance, particularly its failure to push through major austerity measures required to reduce the budget deficit and boost corporate profits.

An editorial in Rupert Murdoch’s *Australian* last Saturday declared that the government was “doomed without a narrative.” The editorial warned that Abbott risked becoming a “oner”—a one-term prime minister—because he was “losing the battle to define core issues and to explain to voters what he is doing and why.” It pointedly asked whether the prime minister was “hard enough” to carry through the required “economic reform,” putting Abbott on notice to “show courage and leadership.”

Today’s editorial in Fairfax Media’s *Australian Financial Review* likewise told Abbott that “clearer direction and more frank speaking is needed.” The newspaper blamed the government for the budget mess, saying it “had never made its case with voters why painful cuts and new charges were necessary.” Despite Palmer’s loss of “the balance-of-power shots” in the Senate, the government had to “reboot” itself.

These warnings, however, only underline the central

problem confronting the political elite as a whole: how to impose an unprecedented social assault, tearing up welfare, healthcare, education and other social programs, when the parliamentary establishment already confronts deep disaffection and alienation.

This fundamental impasse is being intensified by the sharp reversal in the Australian economy produced by the deepening global slump and collapse of mining export prices, especially for coal and iron ore, the two largest export earners. Falling mining-related revenue, combined with the failure to pass key government spending cuts, is expected to see this year’s budget deficit blow out from the government’s forecast of around \$30 billion to closer to \$40 billion.

This is not a temporary crisis. Consulting firm Macroeconomics predicted earlier this month that falling commodity prices would cut revenue by \$52 billion over four years.

By jumping from the PUP boat, Lambie has exacerbated a political breakdown that has only worsened since the Gillard Labor government was reduced to minority status at the 2010 federal election. Although the Coalition exploited the hostility to Labor among ordinary working people to win last year’s election, the Senate result produced a similar parliamentary deadlock.

Coming months could see further political explosions. While issuing dire warnings to Abbott, the Murdoch media is also stepping up a campaign against Palmer, accusing him of financial irregularities, in the hope of clearing a path for the government to implement the agenda demanded by the ruling class. This week, the *Australian* reported that Western Australian police had begun a criminal probe into an alleged fraud by Palmer, allegations that could ultimately see him jailed and stripped of his parliamentary seat.



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